

SAMPLE REGULATORY CHART

DERIVATIVES TRANSACTION EXECUTION FACILITY ANALYSIS OF COMPLIANCE WITH CEACT CORE PRINCIPLES

[APPLICANT _____]

DTEF CORE PRINCIPLE	PROPOSAL & COMMENTS
Sec. 5(d) Core Principles for DTEFs	
Core Principle 1 – In General: “To maintain the registration of a board of trade as a derivatives transaction execution facility, a board of trade shall comply with the core principles specified in this subsection. The board of trade shall have reasonable discretion in establishing the manner in which the board of trade complies with the core principles”	
Core Principle 2 – Compliance with Rules: “The board of trade shall monitor and enforce the rules of the facility, including any terms and conditions of any contracts traded on or through the facility and any limitations on access to the facility.”	
Core Principle 3 – Monitoring Of Trading: “The board of trade shall monitor trading in the contracts of the facility to ensure orderly trading in the contract and to maintain an orderly market while providing any necessary trading information to the Commission to allow the Commission to discharge the responsibilities of the Commission under the Act.”	

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<p>Core Principle 4 – Disclosure Of General Information: “The board of trade shall disclose publicly and to the Commission information concerning--</p> <p>(A) contract terms and conditions;</p> <p>(B) trading conventions, mechanisms, and practices;</p> <p>(C) financial integrity protections; and</p> <p>(D) other information relevant to participation in trading on the facility.”</p>	
<p>Core Principle 5 – Daily Publication Of Trading Information: “The board of trade shall make public daily information on settlement prices, volume, open interest, and opening and closing ranges for contracts traded on the facility if the Commission determines that the contracts perform a significant price discovery function for transactions in the cash market for the commodity underlying the contracts.”</p>	
<p>Core Principle 6 – Fitness Standards: “The board of trade shall establish and enforce appropriate fitness standards for directors, members of any disciplinary committee, members, and any other persons with direct access to the facility, including any parties affiliated with any of the persons described in this paragraph.”</p>	
<p>Core Principle 7 – Conflicts Of Interest: “The board of trade shall establish and enforce</p>	

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<p>rules to minimize conflicts of interest in the decision making process of the derivatives transaction execution facility and establish a process for resolving such conflicts of interest.”</p>	
<p>Core Principle 8 – Recordkeeping: “The board of trade shall maintain records of all activities related to the business of the derivatives transaction execution facility in a form and manner acceptable to the Commission for a period of 5 years.”</p>	
<p>Core Principle 9 – Antitrust Considerations: “Unless necessary or appropriate to achieve the purposes of this Act, the board of trade shall endeavor to avoid— (A) adopting any rules or taking any actions that result in any unreasonable restraint of trade; or (B) imposing any material anticompetitive burden on trading on the derivatives transaction execution facility.”</p>	